

Figure 11.1 Historical trend for UK aggregate stock/GDP

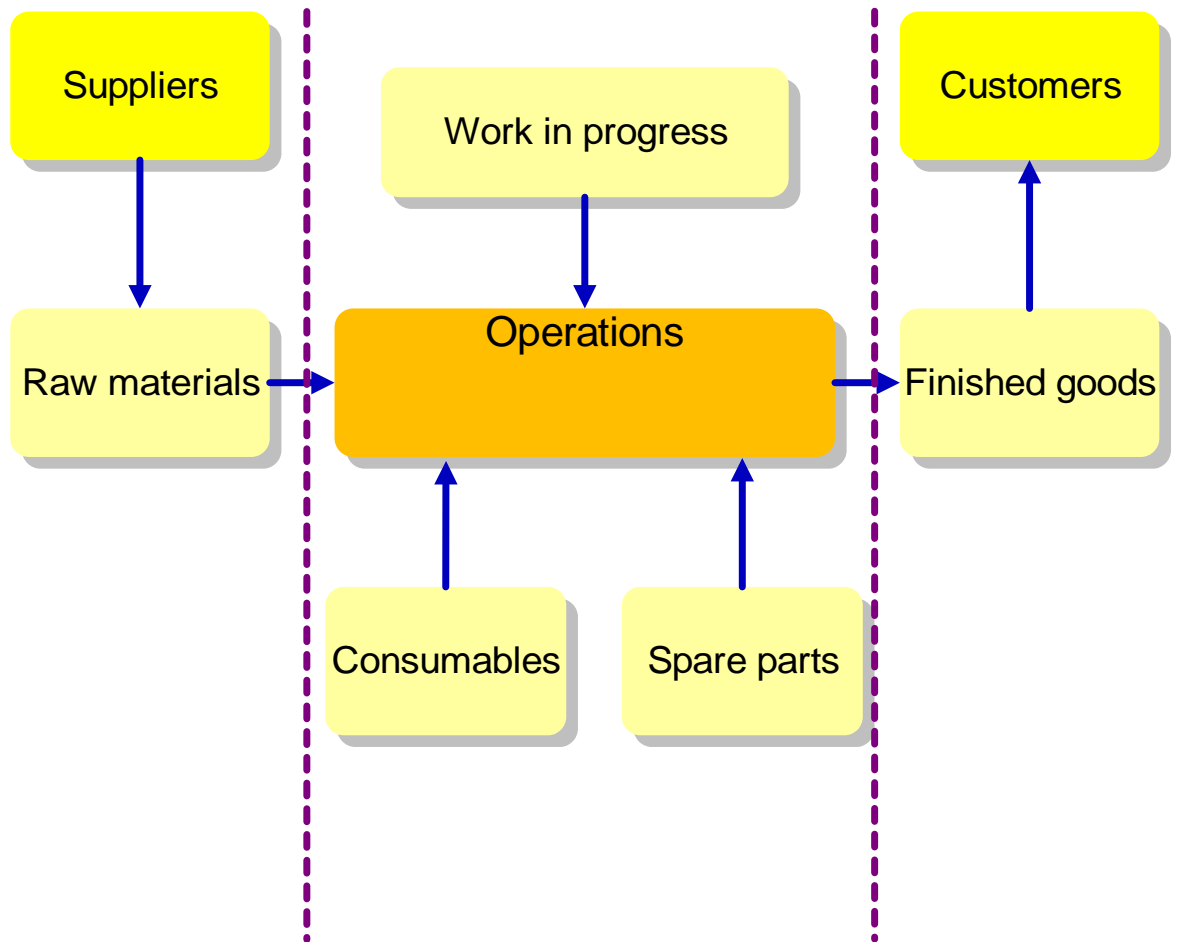


Figure 11.2 Classification of stock

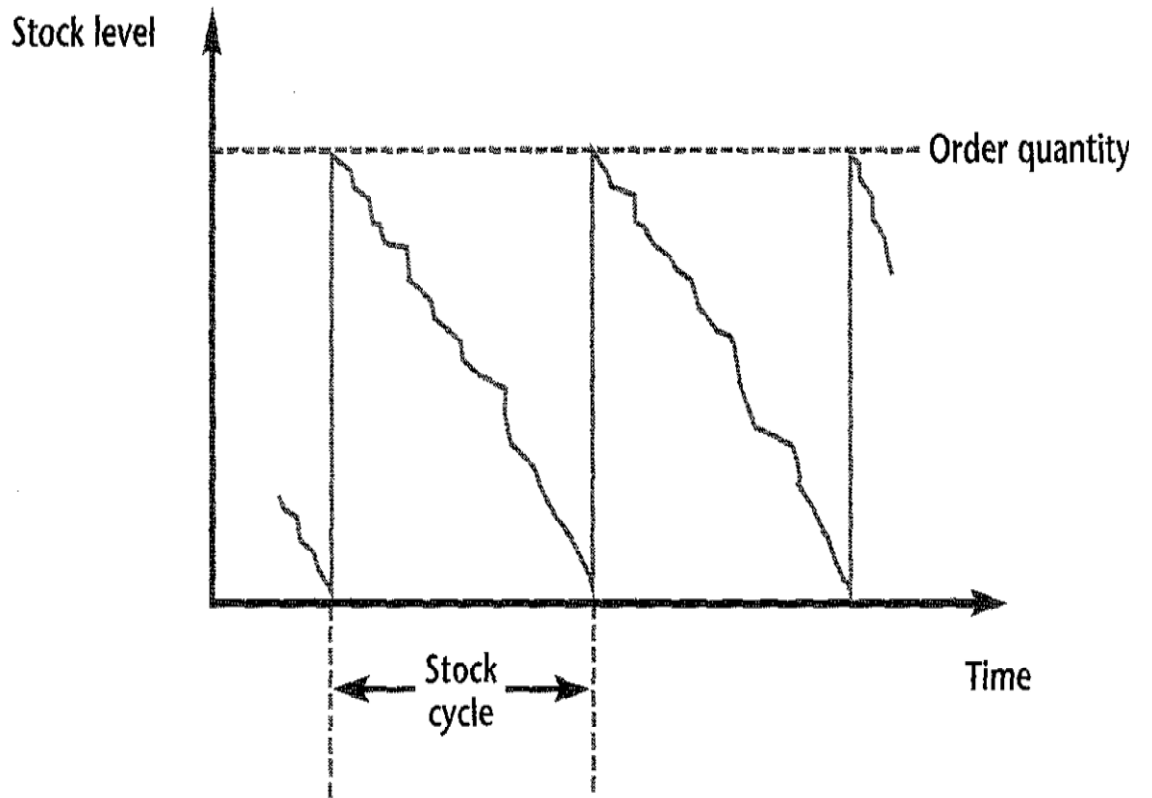
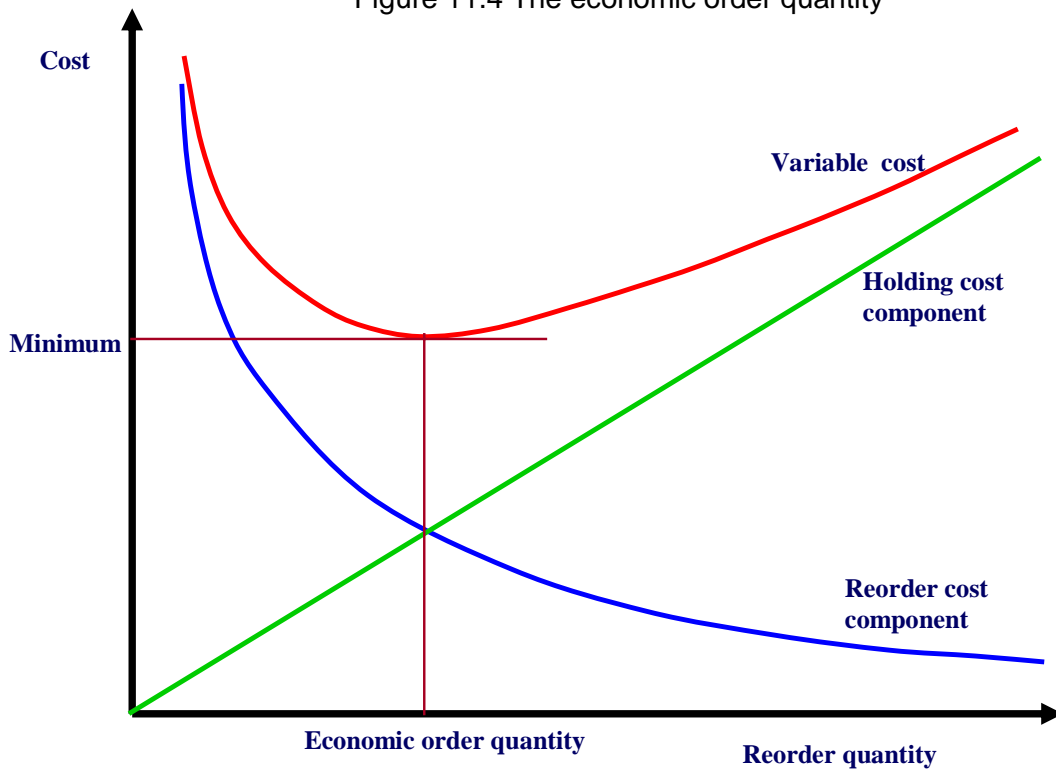


Figure 11.3 The repeated pattern of stock cycles

Figure 11.4 The economic order quantity



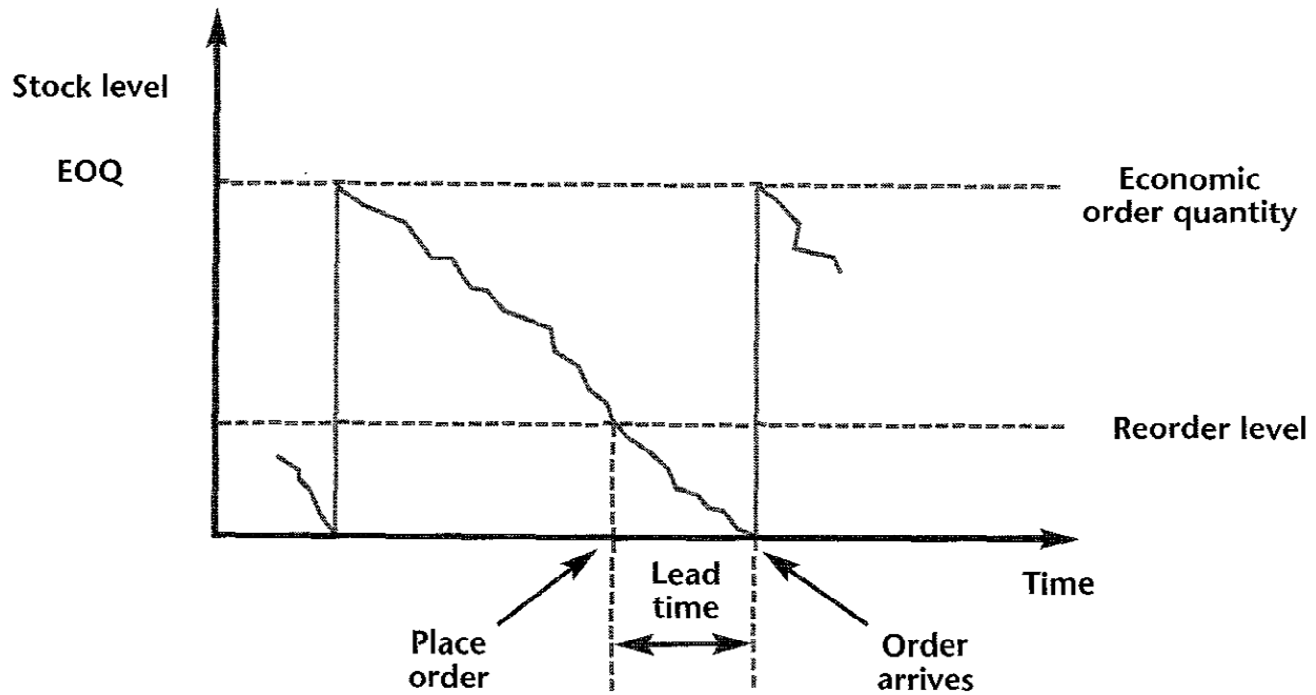


Figure 11.5 Using a reorder level to time orders

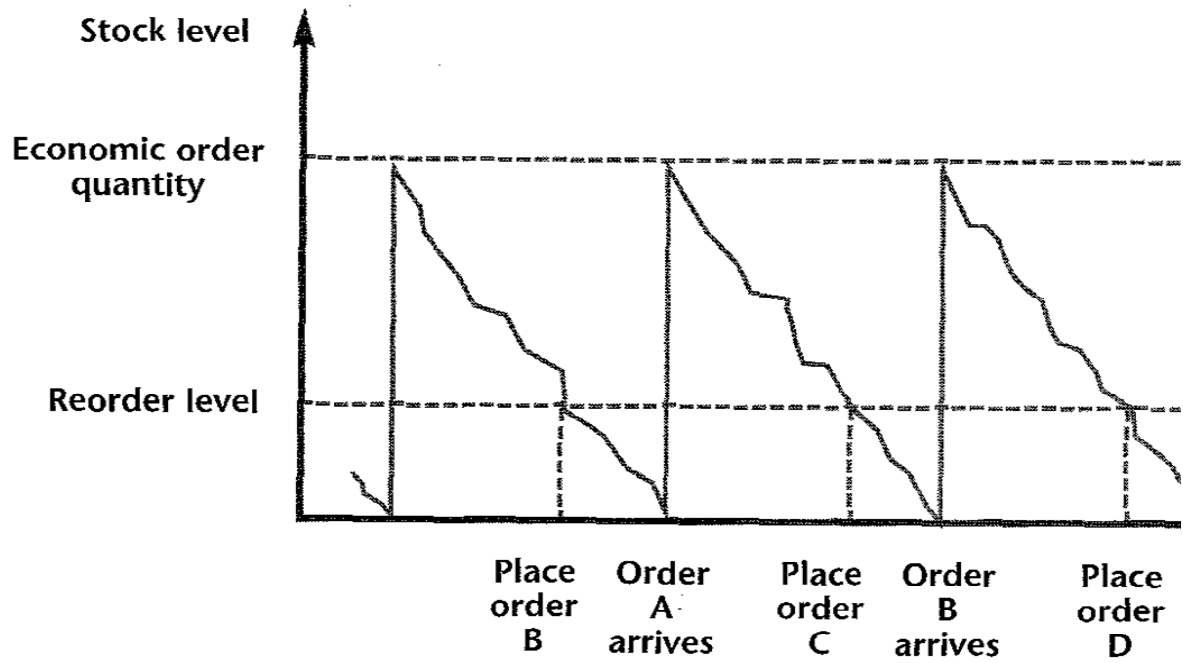


Figure 11.6 Order patterns when the lead time is longer than a stock cycle

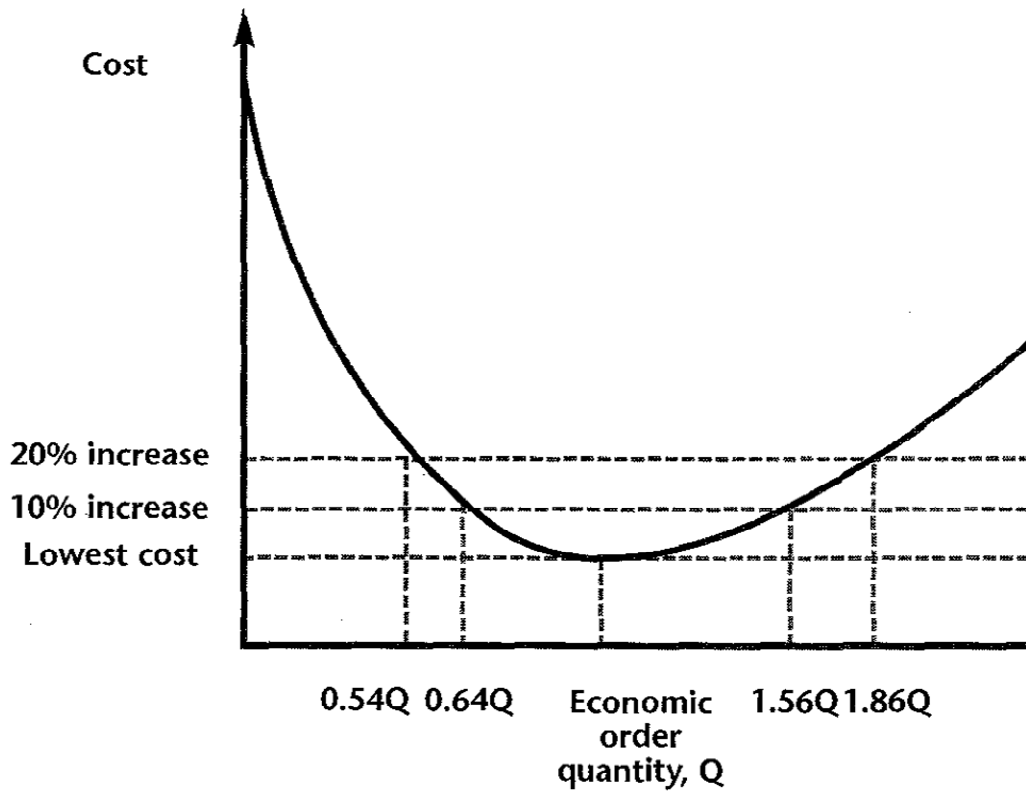


Figure 11.7 The variable cost rises slowly around the economic order quantity

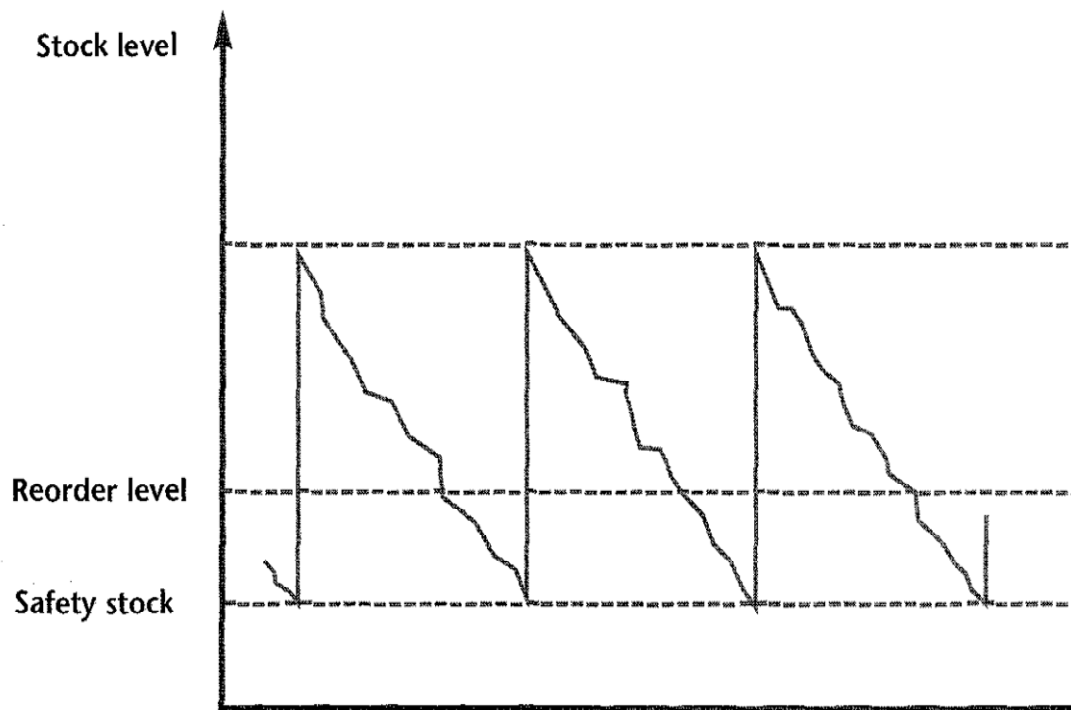


Figure 11.8 Safety stock raises the average stock level

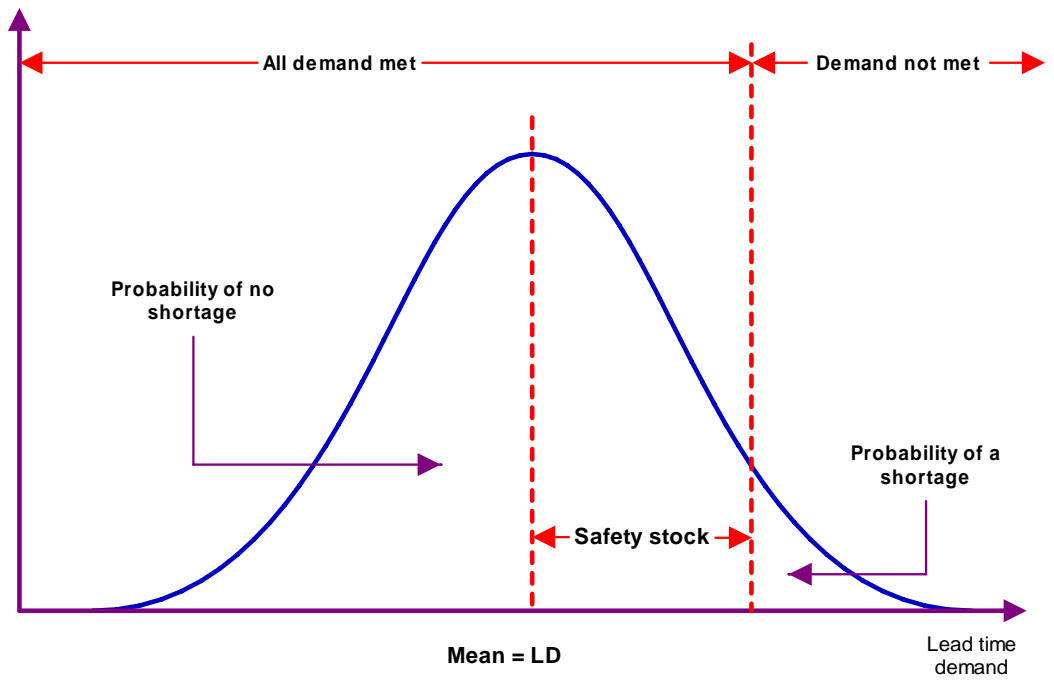
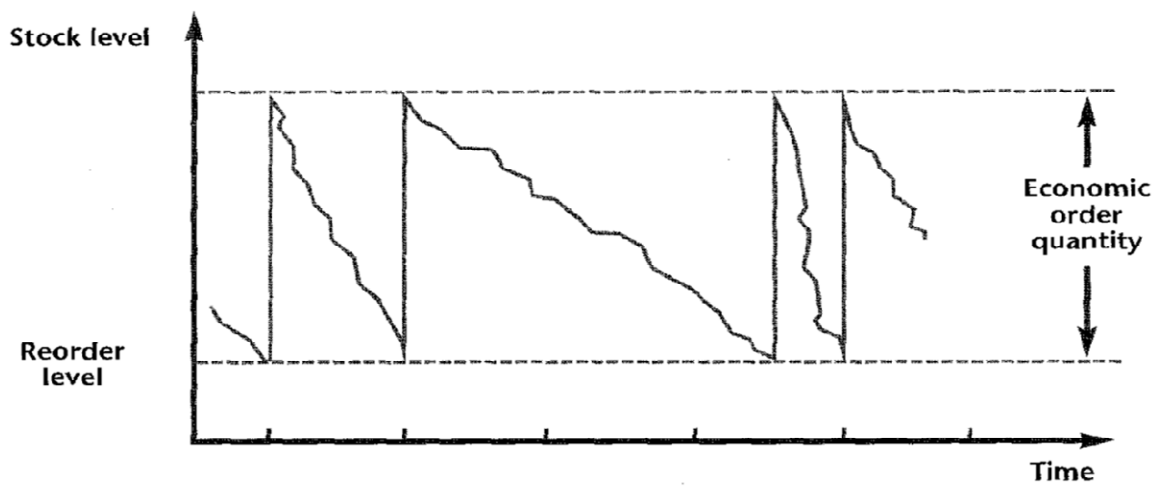
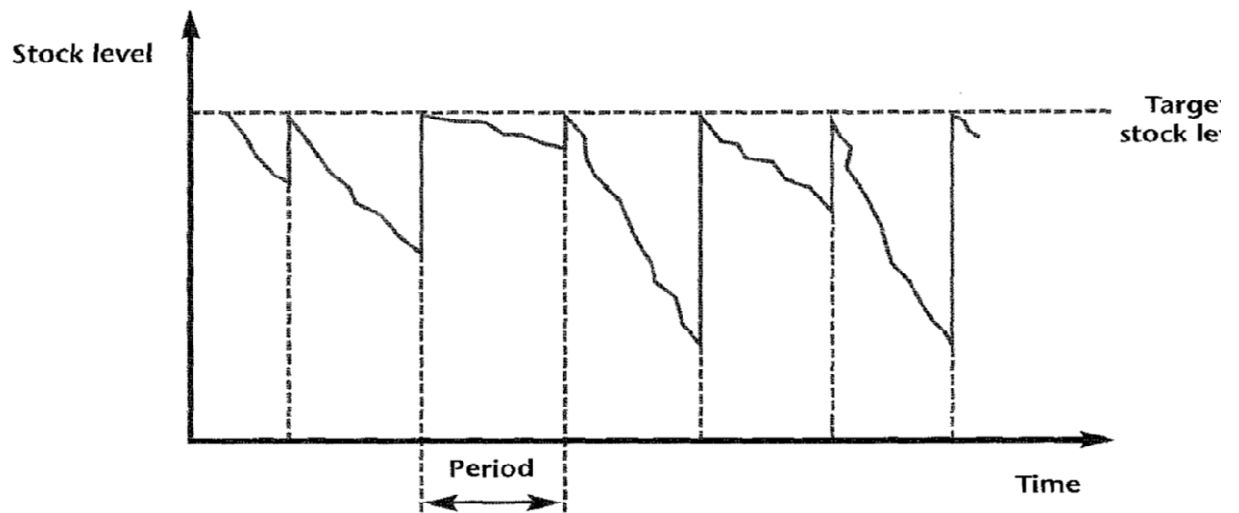


Figure 11.9 Safety stock for Normally distributed demand



(a) Fixed order quantity



(b) Periodic review

Figure 11.10 Comparison of fixed order quantity and periodic review systems

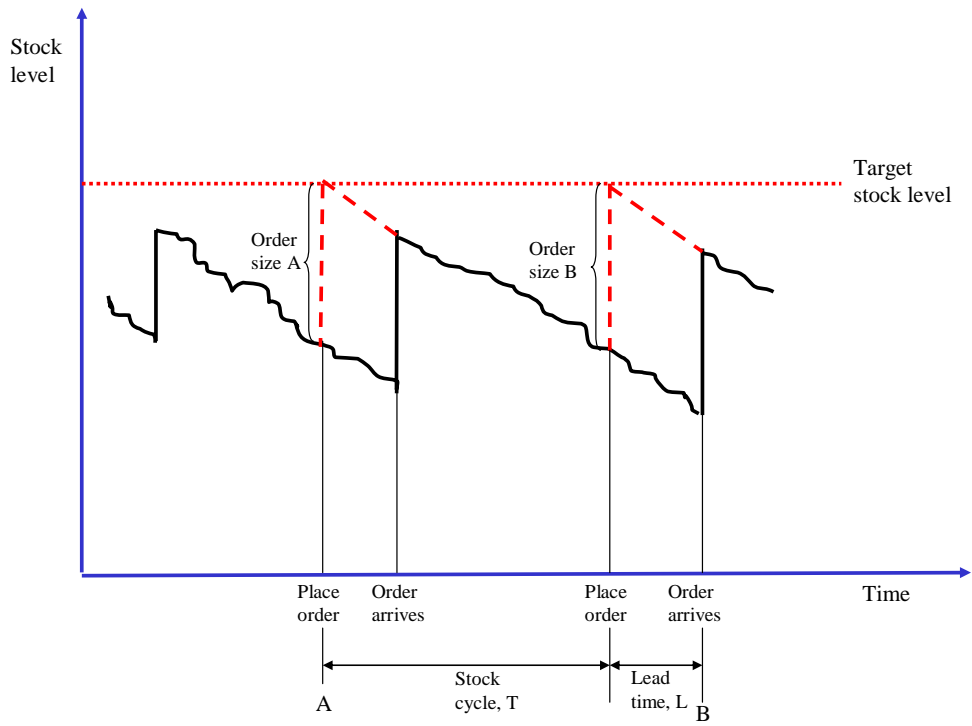


Figure 11.11 An order placed at A has to cover demand until B

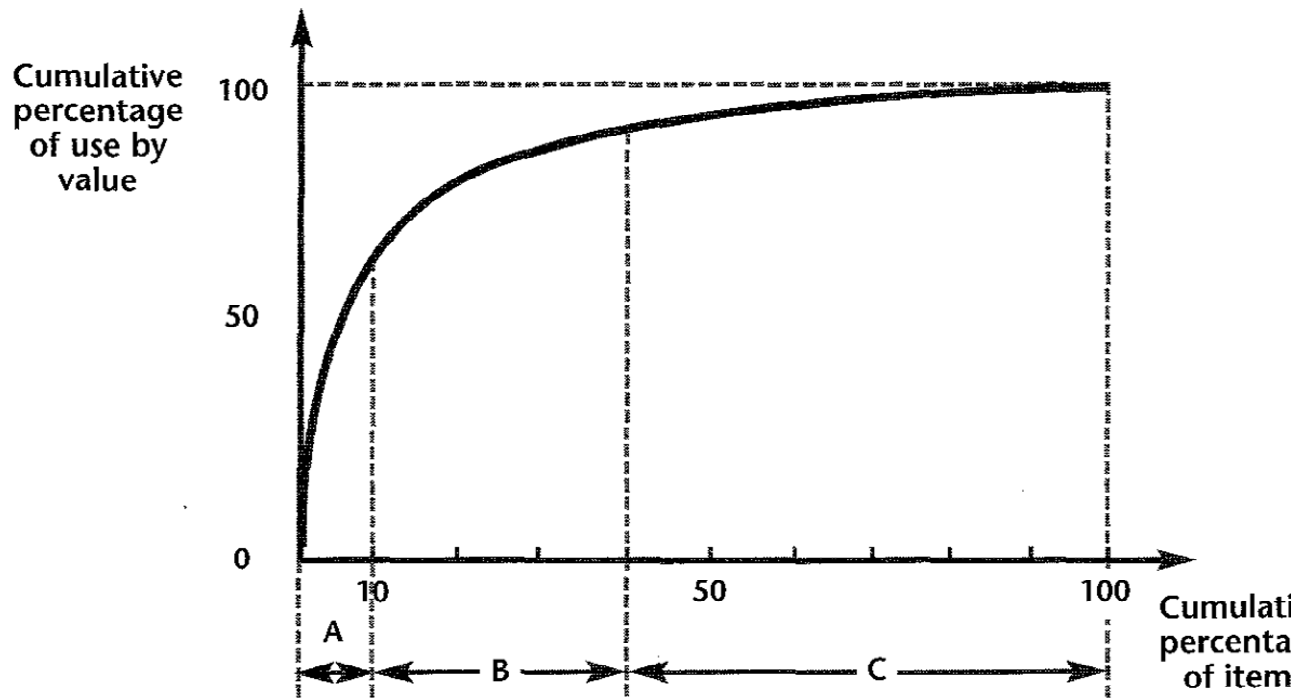


Figure 11.12 Typical results for an ABC analysis